

General Assembly

## Substitute Bill No. 1159

January Session, 2001

## AN ACT CONCERNING FLEXIBLE HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (a) For purposes of this section:
- 2 (1) "Affordable housing" means affordable housing, as defined in section 8-39a of the general statutes;
- 4 (2) "Commissioner" means the Commissioner of Economic and Community Development;
- 6 (3) "Department" means the Department of Economic and 7 Community Development;
- 8 (4) "Eligible applicant" means: (A) A nonprofit entity; (B) a 9 municipality; (C) a housing authority; (D) a business corporation 10 incorporated pursuant to chapter 601 of the general statutes or any 11 predecessor statutes thereto or authorized to do business pursuant to 12 said chapter 601 having as one of its purposes the construction, 13 acquisition, rehabilitation or operation of affordable housing, and 14 having a certificate or articles of incorporation approved by the 15 commissioner; (E) any partnership, limited partnership, limited
- 16 liability company, joint venture, sole proprietorship, trust or
- 17 association having as one of its purposes the construction, acquisition,
- 18 rehabilitation or operation of affordable housing, and having basic

- 19 documents of organization approved by the commissioner; or (F) any 20 combination thereof;
- 21 "Eligible costs" means costs relating to the planning, 22 implementation and completion of an eligible project; and
  - (6) "Eligible project" means a project designed for the purpose of providing affordable housing, and shall include, but not be limited to, (A) acquisition, construction, rehabilitation, repair and maintenance of residential or mixed use structures, (B) acquisition, construction, rehabilitation, repair and maintenance of related infrastructure, facilities and amenities incidental and pertinent to the provision of affordable housing and intended primarily to serve the residents of the affordable housing project, that may include, but not be limited to, a community room, laundry, day care space, computer center, management office or playground, or (C) demolition, renovation or redevelopment of vacant buildings or related infrastructure.
  - (b) The state, acting by and in the discretion of the commissioner, may enter into a contract for state financial assistance for any eligible project in the form determined by the commissioner, including, but not limited to, a grant, loan, loan guarantee, deferred loan or any combination thereof.
  - (c) (1) An application for financial assistance shall be in the form and manner prescribed by the commissioner. In determining whether and to what extent to fund an application received from eligible applicants, the commissioner may consider relevant factors including, but not limited to, the following: (A) The ability of the project to affirmatively further racial and economic integration, including expanding multifamily rental housing opportunities in suburban and rural communities; (B) the ability of the project to meet the housing needs of the lowest income populations; (C) the ability of the project to revitalize urban neighborhoods, including expanding homeownership and increasing multifamily rehabilitation in the central cities; (D) the ability of the project to provide a full range of supportive housing

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options for people with special needs or who are at risk of becoming homeless; (E) impact of the project on the local neighborhood, region and the state; (F) short-term and long-term benefits of the project; (G) impact on affordable housing needs of the neighborhood, community, municipality and region; (H) project feasibility; (I) potential for leveraging other public and private investments; (J) applicant's ability to implement the project in a timely manner; (K) the relative need for the project; (L) the applicant's financial commitment to the project, except in the case of a nonprofit entity or a housing authority created pursuant to section 8-40 of the general statutes; and (M) the extent to which the project will advance the public purposes set forth in this subdivision.

- (2) (A) On or before December 31, 2002, and annually thereafter, the commissioner shall submit a report to the select committee of the General Assembly having cognizance of matters relating to housing, which report shall include a description of each project funded under this program, the other sources of financing for each project and the relevant factors considered by the commissioner pursuant to this subsection in determining to provide such funding.
- (B) On or before December 31, 2001, and quarterly thereafter, the commissioner shall submit to the Housing Advisory Committee a report that shall include a description of each project funded under this program, the sources of financing for each project, the relevant factors considered by the commissioner pursuant to this subsection in determining to provide such funding, and such other information as the Housing Advisory Committee may request.
- (d) The commissioner shall review and approve the site and the estimated total development budget, including the nature and amount of financial assistance to be provided from all sources and by the state. The commissioner may review and approve any additional factors determined to be necessary or appropriate to protect the state's interests. Upon determination by the commissioner that the eligible costs are necessary and reasonable, and, in the case of financial

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assistance provided from the proceeds of the state's bonds upon preliminary approval by the State Bond Commission pursuant to the provisions of section 3-20 of the general statutes, or, in the case of financial assistance provided from a funding source other than the state's bonds upon the approval by the Governor of an allotment for such purpose, the state, acting by and through the commissioner, may provide the financial assistance for such eligible costs.

- (e) Financial assistance provided shall be upon terms and conditions not inconsistent with the provisions of this section which the commissioner shall establish as prudent and necessary to protect the state's interests. Such terms and conditions may include, separately or in combination, without limitation: (1) The requirements of funds from other sources, including, without limitation, financing obtained from quasi-public agencies, as defined in section 1-120 of the general statutes, federal and local government agencies and private for-profit and not-for-profit institutions; (2) participation interests; (3) subsidy recapture provisions; and (4) resale and prepayment, job retention, residency, use and affordability restrictions. Such terms and conditions and compliance with such terms and conditions may be documented and secured as the commissioner shall determine.
- (f) (1) The commissioner may take all reasonable steps and exercise all available remedies necessary or desirable to protect the obligations or interests of the state, including, but not limited to, amending any term or condition of a contract or agreement, provided such amendment is allowed or agreed to pursuant to such contract or agreement, or purchasing or redeeming, pursuant to foreclosure proceedings, bankruptcy proceedings or in other judicial proceedings, any property on which such commissioner or the department holds a mortgage or other lien, or in which such commissioner or the department has an interest.
- (2) The commissioner may request, inspect and audit reports, books and records and any other financial or project-related information with respect to eligible applicants that receive financial assistance,

- including, without limitation, resident or employment information, 117
- 118 financial and operating statements and audits. The commissioner may
- 119 investigate the accuracy and completeness of such reports, books and
- 120 records
- 121 (3) Notwithstanding any provision of the general statutes, the
- 122 commissioner is authorized, for purposes of the program established
- 123 under this section, to assess and collect application fees of no more
- 124 than two hundred fifty dollars to recover all or part of the costs or
- 125 expenses incurred by the state in reviewing applications for financial
- 126 assistance.
- 127 (g) The commissioner may adopt such regulations, in accordance
- 128 with chapter 54 of the general statutes, as are necessary for the
- 129 implementation of this section.
- 130 Sec. 2. Subsection (b) of section 8-385 of the general statutes is
- 131 repealed and the following is substituted in lieu thereof:
- 132 (b) The Housing Advisory Committee shall: (1) Advise the General
- 133 Assembly, the Governor, the Commissioner of Economic and
- 134 Community Development and the Connecticut Housing Finance
- 135 Authority on matters relating to housing programs and policies; (2)
- 136 provide legislative recommendations relating to housing matters to the
- 137 Commissioner of Economic and Community Development, the
- 138 Connecticut Housing Finance Authority and the General Assembly; (3)
- 139 monitor the housing-related activities of the regional planning
- 140 agencies under chapter 127; [and] (4) provide oversight for activities
- 141 undertaken by said commissioner pursuant to the program established
- 142 in section 1 of this act; and (5) promote coordination on housing
- 143 matters among state agencies.
- 144 Sec. 3. Section 29 of special act 95-20 is amended to read as follows:
- 145 The proceeds of the sale of said bonds shall be used by the
- 146 Department of Housing for the purposes hereinafter stated:

- Sec. 4. Section 9 of special act 97-1 of the June 5 special session is amended to read as follows:
- The proceeds of the sale of said bonds shall be used by the Department of Economic and Community Development for the purposes hereinafter stated:

Housing development and rehabilitation, including moderate cost housing, moderate rental, congregate and elderly housing, urban homesteading, community housing development corporations, housing purchase and rehabilitation (no more than \$10,000,000 of the total), housing for the homeless, housing for low income persons, limited equity cooperatives and mutual housing projects, removal and abatement of hazardous material including asbestos and lead-based paint in residential structures (no more than \$2,500,000 of the total), emergency repair assistance for senior citizens, housing land bank and land trust, housing and community development, predevelopment grants and loans, reimbursement for state and federal surplus

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- 180 property, private rental investment mortgage and equity program,
- 181 housing infrastructure, septic system repair loan program, acquisition
- 182 and related rehabilitation, projects under the program established in
- section 1 of this act, and participation in federal programs, including 183
- 184 administrative expenses associated with those programs eligible under
- 185 the general statutes, not exceeding \$18,000,000.
- 186 Sec. 5. Section 28 of special act 97-1 of the June 5 special session, as
- 187 amended by section 76 of special act 98-9, is amended to read as
- 188 follows:
- 189 The proceeds of the sale of said bond shall be used by the
- 190 Department of Economic and Community Development for the
- 191 purposes hereinafter stated:
- 192 Housing development and rehabilitation, including moderate cost
- 193 housing, moderate rental, congregate and elderly housing, urban
- 194 community housing development corporations, homesteading,
- 195 housing purchase and rehabilitation (no more than \$10,000,000 of the
- 196 total), housing for the homeless, housing for low income persons,
- 197 limited equity cooperatives and mutual housing projects, removal and
- 198 abatement of hazardous material including asbestos and lead-based
- 199 paint in residential structures (no more than \$2,500,000 of the total),
- 200 emergency repair assistance for senior citizens, housing land bank and 201
- land trust, housing and community development, predevelopment 202 grants and loans, reimbursement for state and federal surplus
- 203 property, private rental investment mortgage and equity program,
- 204 housing infrastructure, septic system repair loan program, acquisition
- 205 and related rehabilitation, projects under the program established in
- 206 section 1 of this act, and participation in federal programs, including
- 207 administrative expenses associated with those programs eligible under
- 208 the general statutes, not exceeding \$20,000,000.
- 209 Sec. 6. Section 9 of public act 99-242 is amended to read as follows:
- The proceeds of the sale of said bonds shall be used by the 210
- 211 Department of Economic and Community Development for the

212 purposes hereinafter stated:

213 Housing development and rehabilitation, including moderate cost 214 housing, moderate rental, congregate and elderly housing, urban 215 homesteading, community housing development corporations, 216 housing purchase and rehabilitation, housing for the homeless, 217 housing for low income persons, limited equity cooperatives and 218 mutual housing projects, abatement of hazardous material including 219 asbestos and lead-based paint in residential structures, emergency 220 repair assistance for senior citizens, housing land bank and land trust, 221 housing and community development, predevelopment grants and 222 loans, reimbursement for state and federal surplus property, private 223 investment mortgage and equity program, housing 224 infrastructure, septic system repair loan program, acquisition and 225 related rehabilitation, loan guarantees for private developers of rental 226 housing for the elderly, projects under the program established in 227 section 1 of this act, and participation in federal programs, including 228 administrative expenses associated with those programs eligible under 229 the general statutes, not exceeding \$5,000,000.

- Sec. 7. Section 28 of public act 99-242 is amended to read as follows:
- 231 The proceeds of the sale of said bonds shall be used by the 232 Department of Economic and Community Development for the 233 purposes hereinafter stated:
  - Housing development and rehabilitation, including moderate cost housing, moderate rental, congregate and elderly housing, urban homesteading, community housing development corporations, housing purchase and rehabilitation, housing for the homeless, housing for low income persons, limited equity cooperatives and mutual housing projects, abatement of hazardous material including asbestos and lead-based paint in residential structures, emergency repair assistance for senior citizens, housing land bank and land trust, housing and community development, predevelopment grants and loans, reimbursement for state and federal surplus property, private

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244 rental investment mortgage and equity program, housing 245 infrastructure, septic system repair loan program, acquisition and 246 related rehabilitation, loan guarantees for private developers of rental housing for the elderly, projects under the program established in 247 248 section 1 of this act, and participation in federal programs, including 249 administrative expenses associated with those programs eligible under the general statutes, not exceeding \$5,000,000. 250

HSG	Joint Favorable Subst. C/R	PD
PD	Joint Favorable C/R	FIN
FIN	Joint Favorable Subst.	
CF	Joint Favorable	